

***THE WARRANT OFFICERS', SENIOR RATINGS'
AND SERGEANTS' MESS***

HMS HERON

ANNUAL REPORT AND FINANCIAL STATEMENTS

For Period

1 May 2022 to 30 April 2023

Registered Charity No. 1133196

Trustees' Annual Report and Comments

Warrant Officers', Senior Ratings' and Sergeants' Mess HMS HERON

Charity Registered No:	1133196
Covering the Accounting Year:	1 May 2022 to 30 April 2023
Address:	RNAS Yeovilton Yeovil Somerset BA22 8HT
Governing Document:	Constitution (and Mess Rules)
Object:	Promotion of the Military Efficiency and Operational Effectiveness of the Armed Forces by the provision of mess facilities to Warrant Officers, Senior Ratings and Senior Non-Commissioned Officers serving in the Royal Naval Air Station, Yeovilton.
Trustee:	Commodore N R Griffin MBE Royal Navy
Trustee selection method:	Appointed as such by the Naval Secretary.
Bankers:	Barclays Bank King George Street Yeovil
Independent Examiner:	P A Nichols MBE MAAT 5 Nursery Road Havant Hants PO9 3BG
Activities and achievements:	To have resources available for expenditure on improvements to the quality of life, and the engenderment of esprit de corps. The mess put on a full social programme for its members during the year and generous subsidies were provided to functions.
Financial Review:	<p>The fund was worth £258.9K of which £158.3K was represented by property and stock. The bank holdings of £91.5K easily covered liabilities of £18.4K. The fund had fallen in value by £47.6K. The main reasons were:</p> <ul style="list-style-type: none">• Function subsidies that were not covered by trading profits - £40.6K.• Additional VAT bill - £1.3K.• Military subscriptions not covering refurbishments and non-trading costs - £8.4K.• Offset by minor incomes totalling £2.7K.
Investment Policy:	The charity has no investments.

Financial Reserves Policy:	The Trustee has considered the level of reserves required, appropriate to the charity's needs. This is set at £30K. The Trustee aims to ensure that the charity will be able to fulfil its charitable objectives even if there is a temporary shortfall in income and unexpected expenditure. The Trustee will endeavour not to set aside funds unnecessarily.
Risk Assessment:	The Trustee reviews the major risks to which the charity is exposed, and systems have been established to manage those risks and believes that by maintaining the free reserves stated it will provide sufficient resources in the event of adverse conditions. Independent examination of the accounts twice yearly will mitigate the risk of any mismanagement by the mess committee.
Public Benefit Statement:	<p>This fund provides public benefit by assisting Service personnel to perform their roles more effectively within the Armed Forces of the Crown. It does this by providing and supporting mess facilities and social activities. This assistance enables Service personnel to face the challenges and danger associated with military service by developing and maintaining teamwork, spirit and attitude, and morale. As a result, the fund promotes the efficiency of the Armed Forces of the Crown by enhancing the Royal Navy's and Royal Marines' capability to undertake the roles demanded of it including the defence of the United Kingdom and its interests.</p> <p>I confirm that I have paid due regard to the Charity Commission of England and Wales's guidance on public benefit when deciding what activities, the charity should undertake.</p>

Declaration:

I declare, in my capacity of Charity Trustee, that I have approved the above report.

Signed on Original

Name	Commodore N R Griffin MBE Royal Navy
Appointment	Commanding Officer and sole Managing Trustee
Date	31 May 2023

Independent Examiner's Report to the Trustee of the Warrant Officers' and Senior Ratings' and Sergeants' Mess HMS Heron. Registered Charity No. 1133196

I report to the trustee on my examination of the accounts of the Warrant Officers' and Senior Ratings' and Sergeants' Mess HMS Heron for the year ended 30 April 23

Respective responsibilities of trustees and examiner

As the charity's trustee is responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act"). I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a licenced member of the Association of Accounting Technicians.

Independent examiner's statement

I have completed my examination; I confirm that no material matters have come to my attention which gives me cause to believe that in any material respect:

- The accounting records were not kept in accordance with section 130 of the Charities Act; or
- The accounts did not accord with the accounting records; or
- The accounts did not comply with the applicable requirements concerning the form and content of the accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than in any requirement that the accounts give a "true and fair" view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed on Original

P A Nicholls MBE MAAT
5 Nursery Road
Havant
Hants PO9 3BG

31 May 2023

HMS HERON WARRANT OFFICERS', SENIOR RATINGS' AND SERGEANTS' MESS

Registered Charity 1133196

BALANCE SHEET

30-Apr-23

ASSETS

	Note		<u>30-Apr-22</u>
<u>Fixed Assets</u>			
Mess Property	7	£ 141,520.00	£ 138,029.00
<u>Current Assets</u>			
Bar & Vending Stocks:	7A	£ 16,827.28	£ 10,982.43
Messbills		£ 13,190.00	£ 9,107.00
Prepayments & Misc Debts	8	£ 8,655.23	£ 27,929.45
Bank Accounts		£ 91,481.31	£ 134,996.23
Bank Account (Xmas Draw)		£ 3,096.58	£ 542.50
Cash & Floats		£ 2,467.89	£ 3,688.17
Total Current Assets		<u>£ 135,718.29</u>	<u>£ 187,245.78</u>

LIABILITIES

Creditors	9	£ 18,019.45	£ 17,051.50
VAT due		£ 375.13	£ 1,135.17
Current Liabilities		<u>£ 18,394.58</u>	<u>£ 18,186.67</u>
Net Current Assets		£ 117,323.71	£ 169,059.11
Net Assets		<u><u>£ 258,843.71</u></u>	<u><u>£ 307,088.11</u></u>

Approved on 31 May 2023

Signed On Original

Commodore N R Griffin MBE Royal Navy
Sole Managing Trustee

HMS HERON WARRANT OFFICERS', SENIOR RATINGS' AND SERGEANTS' MESS

STATEMENT OF FINANCIAL ACTIVITIES

For Twelve Months to 30 April 2023

	Note	<u>Previous Year</u>
Income		
Voluntary Income	£ -	£ 19,386.75
Charitable Activities	£ 305,395.93	£ 271,001.04
Other Trading Activities	£ 42,657.22	£ 41,942.21
Interest Income	£ 94.08	£ 0.03
Total Income	3 <u>£ 348,147.23</u>	<u>£ 332,330.03</u>
Expenditure		
Raising Funds	£ 41,898.53	£ 40,868.62
Charitable Activities	<u>£ 356,488.60</u>	<u>£ 260,013.14</u>
Total Expenditure	4 <u>£ 398,387.13</u>	<u>£ 300,881.76</u>
Net Income/(Expenditure)	£ (50,239.90)	£ 31,448.27
Previous Year Corrections	£ 1,995.50	£ (622.65)
Total Funds Brought Forward	£ 307,088.11	£ 275,639.87
Total Funds Carried Forward	<u>£ 258,843.71</u>	<u>£ 306,465.49</u>

HMS HERON WARRANT OFFICERS' ,SENIOR RATINGS' AND SERGEANTS MESS

Notes to the Accounts dated 30 April 2023

Note 1 - Accounting policies

a. The financial statements are prepared under the historic cost convention (as modified by the revaluation of fixed asset investments) and in accordance with applicable accounting standards: Charities Statement of Recommended Practice, UK Accounting Standards and the Charities Acts.

Incoming resources

- a. Donations are included in the Statement of Financial Activities (SOFA) when the fund becomes entitled to the donation or grant and it is reasonably certain that it will be received.
- b. Incoming resources from fund raising are reported gross in the SOFA
- c. Intangible income is not included in the accounts.
- d. The fund receives no unpaid volunteer help.
- e. Interest is included in the accounts when receivable.

Expenditure and liabilities

- a. Liabilities are recognised as soon as there is a legal or constructive obligation committing the fund to the expenditure.

Assets

- a. Depreciating fixed assets are capitalised if they can be used for more than one year and cost at least £100. They are valued at cost or a reasonable value on receipt. Depreciation is straight line over the estimated life of the item. Depreciation is not allocated to activity costs as the use is varied.
- b. Stocks are valued at the lower of cost or market value.

Note 2 - Investments

There are none

Note 3 - Income

	<u>Year to 30 Apr 23</u>	<u>Previous Year</u>
<i>Voluntary Income</i>		
Donations and Grants	£ -	£ 19,386.75
<i>Charitable Activities</i>		
Mess Subs	£ 132,470.26	£ 134,192.07
Subscription refund to 1 AAC	£ (10,204.25)	£ (6,238.00)
Associate Subscriptions	£ 4,695.99	£ 3,945.68
Bar income	£ 111,667.56	£ 90,615.44
Vending Sales	£ 38,333.14	£ 33,742.80
Function Income	£ 20,420.37	£ 583.02
Twickenham Army v Navy	£ -	£ 3,518.33
Christmas Draw	£ 3,840.92	£ 8,790.70
Christmas Bottle Draw	£ 714.00	£ -
Meat Raffle	£ 2,514.00	£ 1,529.00
Misc income	£ 943.94	£ 322.00
	<u>£ 305,395.93</u>	<u>£ 271,001.04</u>
<i>Other Trading Activities</i>		
Private & Departmental Functions	£ 42,657.22	£ 41,942.21
	<u>£ 42,657.22</u>	<u>£ 41,942.21</u>
<i>Investment Income</i>		
Bank Interest	£ 94.08	£ -
Total Income	<u><u>£ 348,147.23</u></u>	<u><u>£ 332,330.00</u></u>

Note 4 - ExpenditureYear to 30 Apr 23Previous Year*Fund Raising*

Private & Department Functions	£ 41,717.63		£ 40,226.13	
Private Function Sundries	£ 180.90		£ 642.49	
		£ 41,898.53		£ 40,868.62

Charitable Activities

Operating Costs

Bar Expenses	£ 94,206.51	£ 71,495.87
Bar Uniform	£ 196.00	£ 352.80
Vending Purchases	£ 35,329.87	£ 30,796.26
Function Expenses from Tickets	£ 20,420.37	£ 583.02
Functions Expenses from Subsidy	£ 65,843.96	£ 21,504.27
Additional VAT from Subsidy	£ 1,347.78	£ -
Twickenham Army v Navy	£ -	£ 5,108.50
Christmas Draw	£ 5,559.92	£ 14,679.56
Christmas Bottle Draw	£ 538.24	£ -
Monthly Meat Raffle	£ 2,365.17	£ 1,855.88

Refurbishment Costs

President's Room Refurb	£ 10,003.54	£ 12,924.87
TV Room - Audio/Visual Refurb	£ 11,344.21	£ -

Running Costs

Mess AGM	£ 624.00	£ -
Insurances	£ 1,534.61	£ 1,647.35
Repairs & Renewals	£ 5,353.86	£ 3,701.99
Reactive Cleaning	£ 76.46	£ -
Xmas Decorations	£ 15,090.00	£ 15,552.77
Newspapers & Periodicals	£ 2,933.90	£ 2,509.55
TV and Video	£ 1,597.47	£ 2,093.46
Presentation Stock, Gifts & Flowers	£ 14,374.54	£ 15,205.72
Trophy Hire	£ 48.68	£ 42.00
Coffee/Water	£ 12,753.10	£ 14,830.05
Dining Hall Extra Messing	£ 11,405.40	£ 7,919.46
Performing Rights	£ 1,449.66	£ 1,218.39
Mess Guests	£ 2,761.15	£ 1,444.81
Grants	£ 698.40	£ 438.00
Miscellaneous Expenses	£ 391.39	£ 396.22

Governance Costs

Examination of Accounts	£ 1,760.00	£ 1,750.00
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Support Costs

Office Costs	£ 4,083.18	£ 3,444.98
Internet & Phone	£ -	£ 160.00
Committee Wages	£ 11,385.65	£ 5,483.01
Bank Charges	£ -	£ 49.50
Depreciation	£ 21,011.58	£ 22,824.85

£ 356,488.60

£ 260,013.14

Total Expenditure

£ 398,387.13£ 300,881.76**Note 5 - Paid Employees**

a. Wages totalling £24617 (previous year £14560) were paid to bar staff and a committee member. None earned enough to require Employer's National Insurance contributions to be paid.

Note 6 - Trustees and Other Related Parties

- a. No expenses or emoluments have been paid to the sole Managing Trustee
b. There were no amounts due to or from the sole Managing Trustee.

Note 7 - Tangible Fixed Assets - Property Account

	Depreciating Property	Non-Depreciating Property
As at 1 May 2022	£ 42,364.00	£ 95,665.00
Additions	£ 24,502.58	£ -
Depreciation & Disposals	£ (21,011.58)	£ -
As at 30 Apr 2023	<u>£ 45,855.00</u>	<u>£ 95,665.00</u>

Note 7A - Stocks

Bar Stock	£ 11,135.23
Vending Stock	£ 5,692.05
	<u>£ 16,827.28</u>

Note 8 - Miscellaneous Debtors & Prepayments

Vending	£ 2,500.00
Bar Sales (PF)	£ 243.00
Bar Wages (PF)	£ 49.88
Twickenham 23	£ 2,971.40
Coors Credit	£ 1,166.95
Prepaid Performing Rights/PPL	£ 758.00
Prepaid Insurance	£ 966.00
	<u>£ 8,655.23</u>

Note 9 - Creditors

Crown Accommodation	£ 1,358.40
Top Tables	£ 7,428.69
HMRC Additional VAT	£ 1,347.78
Twickenham 23	£ 1,517.50
Newspapers	£ 266.70
Ballantynes - Leaving Gifts	£ 226.50
Coors - Bar	£ 1,211.96
Bar Gas	£ 156.00
Sage	£ 303.40
ESS - Dining Hall Extras	£ 65.90
ESS - Mess Guests	£ 39.96
ESS - Private Function -Constable Birthday Party	£ 120.08
Christmas Draw 23 Prepaid	£ 3,096.58
PN Independent Examinations	£ 880.00
	<u>£ 18,019.45</u>

Note 10 - Endowment or Restricted Income Funds

There were none.

Note 11 - Other Information

- The fund does not have any material commitments not provided for in the accounts
- The fund has not given any guarantees to any third party that could be called on at the year end.
- The fund has not granted any loans.
- The fund did not make any ex gratia payments during the year.

Note 12 - Declarations

- The Trustee has not changed the year end date
- All the fund's operations are continuing operations and there were no discontinued operations.
- The fund has no marketable intangible assets
- None of the funds functional assets have been revalued during the year and the fund does not have a policy of revaluation of these assets although there are periodic professional valuations of non depreciating assets.
- The fund has no material fixed assets which have not been capitalised and included in the Balance Sheet.

Bar Trading for Twelve Months to 30 Apr 23

			<i>Previous Year</i>	
Sales	£ 111,667.56		£ 90,615.44	
Cost of sales	<u>£ 76,935.33</u>		<u>£ 61,529.63</u>	
Gross Profit	£ 34,732.23		£ 29,085.81	
Gross Profit or Loss /Sales =		31%		32%
Gross Profit or loss /Cost of Sales = (i.e. average mark up)		45%		47%
Less expenses:				
Bar Wages	£ 13,232.30	12%	£ 9,076.94	10%
Pipe Cleaning & Spillage	<u>£ 4,038.88</u>	4%	<u>£ 889.30</u>	1%
	<u>£ 17,271.18</u>		<u>£ 9,966.24</u>	
Net Profit	<u><u>£ 17,461.05</u></u>	15.6%	<u><u>£ 19,119.57</u></u>	21.1%

PN INDEPENDENT EXAMINATIONS

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Havant
Hants
PO9 3BG

07801 064450

The Commodore
Royal Naval Air Station
Yeovilton

15 May 23

THE WARRANT OFFICERS', SENIOR RATINGS' AND SERGEANTS' MESS – EXAMINATION AND ACCOUNTS FOR THE YEAR ENDING 30 APR 23

1. The examination of the mess fund for the year ending 30 Apr 23 has been completed satisfactorily. Two copies of the accounts are enclosed, one for the pack and the other to be held by the Treasurer after approval,
2. A draft Trustee's Annual Report (TAR) is also enclosed. Once approved by the Cdre, and any changes inserted, a PDF version of the annual accounts and the TAR must be uploaded to the Charity Commission website. (PNIE will supply PDF versions.) The on-line Annual Return should also be completed at the same time.

Accounts and Musters

3. The accounts were in good order. Although, Mrs Brown, the Mess Accountant, was offsite during the visit, she had arranged for PNIE to have access to all the relevant documents and Sage accounts. The Treasurer, CPO Camm, was also on hand for any questions. There had been no independent musters of cash or property, but the bar stock had been independently mustered.

Property

4. Property had a book value of £141.5K divided between non-depreciating items (£95.7K) and depreciating items (£45.9K). As there was no end of year muster, the Property Maintenance Manager should complete a full muster of all items of property owned by the Mess as well as those on loan from the Trophy Centre.

Subscriptions

5. Military subscriptions income totalled £122.3K after deducting the £10.2K (7.7%) subscription refund to 1AAC. This, figure did not fully cover the running, refurbishment, and support costs of £130.7K.
6. Income from associate members' subscriptions was £4.7K which was up slightly by £0.7K compared to last year.

Bar

7. Bar sales received totalled £111.7K leading to a net profit of £17.5K (15.6%). The Bar Manager, PO Hunt, confirmed that all bar prices were regularly checked against rising cost prices. Stock levels were quite high at £11.1K but this would be reduced gradually over a period of time to reduce the chance of restricted life items going out of date.

8. Bar wages totalled £13.2K, which was an increase of £4.2K over the year. Some of this rise was a consequence of the bar being open more often but also because of the increases in the minimum wage.

Christmas Raffle

9. The Christmas Raffle was subsidised by £1.7K but the Christmas Bottle Draw made a small profit of £176.

Other Activities.

10. Profits were made:

- Vending produced profits of £3K.
- Private functions made a £0.8K profit.
- The monthly meat raffle made a small gain of £0.1K.

Running Costs

11. The running costs had the following variations compared to the previous year:

- Committee wages, which include the Bar Manager's wage and that of the Property Maintenance Manager, had doubled to £11.4K.
- Dining Hall extra messing costs had increased by £3.5K to £11.4K.
- Coffee/tea and water costs had fallen by £2.1K to £12.8K.
- Newspaper costs remained steady at £2.9K.
- TV costs were £1.6K down by £0.5K.
- The purchase of presentation stock for leavers gifts and flowers totalled £14.4K.
- Christmas decorations cost £15.1K.
- Video and audio refurbishment, mainly in the TV room cost £11.3K. No bid was made for a grant.

Subsidies and VAT

12. There will be an additional VAT bill to pay if subsidies are part funded from subscriptions, as is normally the case in this mess. This year the trading income totalled £39.1K whilst the subsidy on functions was exceptionally high at £65.8K. Fortunately, £18.7K of the previous year's trading income was not used for subsidies and this sum can be added to this year's trading income to make £57.8K. This meant there will be an additional VAT bill of £1.3K to pay on that part of the subsidy which came from subscriptions.

Summary

13. The fund was worth £258.9K of which £158.3K was represented by property and stock. The bank holdings of £91.5K easily covered liabilities of £18.4K

14. The fund had fallen in value by £47.6K. The main reasons were:

- Function subsidies that were not covered by trading profits - £40.6K.
- Additional VAT bill - £1.3K.
- Military subscriptions not covering refurbishments and non-trading costs - £8.4K.
- Offset by minor incomes totalling £2.7K.

M L Butcher
PN Independent Examinations

Information:

Mess President
Mess Treasurer